

## Sino-Japanese Rivalry: Implications for U.S. Policy

### About this report

**D**uring 2006, a consortium of policy research organizations conducted an in-depth examination of the troubled Sino-Japanese relationship and the implications of those tensions for U.S. interests. Chaired by James Kelly, former Assistant Secretary of State for East Asian and Pacific Affairs, the project brought together a range of policy and regional experts to explore all aspects of the topic. Collaborating institutions included the Center for Naval Analyses, the Institute for Defense Analyses, the National Defense University Institute for National Strategic Studies, and the Pacific Forum/Center for Strategic and International Studies. This report was authored by Michael McDevitt with contributions from James Przystup, Alan Romberg, Brad Roberts, Brad Glosserman, James Kelly, and Ralph Cossa. The opinions and conclusions expressed herein are solely those of the authors and do not necessarily represent the views of their sponsoring organizations or the U.S. Department of Defense.

### Summary

For the first time in modern history, a rising China and a reemerging Japan are facing one another as East Asia's preeminent powers. The choices Beijing and Tokyo make

over the next few years regarding management of their bilateral relationship may well prove to be some of the most consequential for international order in the 21<sup>st</sup> century.

In early 2006, Sino-Japanese relations were close to a post-Cold War low, but following the retirement of Prime Minister Koizumi Junichiro, relations have improved under his successor, Abe Shinzo. However, the sources of tension in the relationship are deeply rooted and will likely intensify over time unless addressed by political leaders.

Sources of tension include the unprecedented rise of both nations as Asian powers; the fact that neither Tokyo nor Beijing appears content to play a secondary role in Asia; questions about shared history that will continue to cast a long shadow over the bilateral relationship and will feed and be influenced by nationalism; and the disputes over East China Sea resources, which have made the use of force a possibility—with consequences that could lead to conflict.

Mutual strategic suspicion clouds the relationship and involves the United States as well. China is especially troubled by Tokyo's increasingly outspoken support of peaceful resolution with respect to Taiwan. Beijing believes that Taiwan has gone from being an implicit to an explicit focus of Japanese military policy and sees the updating and strengthening of the U.S.-Japan alliance as being directed at China. At the same time, China's military modernization is creating anxiety in Tokyo and concern in Washington.

Positive factors also are at work. The countries' economic relationship is increasingly intertwined and acts as a shock absorber. Their

economies are complementary, and neither country wants commerce to be disturbed by poor relations. Neither government wants nationalism to get out of hand. And while rising energy demand is a source of potential competition, it also provides an opportunity for cooperation.

Both countries are increasingly involved globally as stakeholders, which suggests that they have many interests in common. Mutual recognition of this reality may provide a way to bridge differences. To help this process along, U.S. policymakers should consider the following steps:

- Develop a national consensus about U.S. interests and policy objectives vis-à-vis the Sino-Japanese relationship, and/or amplify in policy initiatives and public pronouncements the theme of the 2006 National Security Strategy: that the United States seeks sound bilateral relations with both China and Japan as a basis for wider regional cooperation to advance security, prosperity, and freedom in East Asia. The United States has significant national interests at stake in its relations with both Japan and China, which could be affected by the evolution of relations between Tokyo and Beijing.

- Do not let Beijing or Tokyo think that the rivalry goes unnoticed in Washington. U.S. policy should make clear that Washington thinks the rivalry is dangerous. However, Washington should not be directly involved in the history debate, nor should it attempt to act as a go-between.

- Emphasize shared "stakeholdership" and responsible partnership by highlighting mutual interests, which include regional

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stability, access to energy, and dependence on maritime commerce. Promote trilateral cooperation.

- Encourage Japan and China to pursue better military-to-military relations; an incidents-at-sea agreement seems especially useful.

- Recognize that the United States cannot be totally even-handed. U.S. priorities are overwhelmingly inclined toward the U.S.-Japan alliance; however, Washington need not consequently sacrifice its interests in productive relations with China.

- Stay engaged in the discussion about Asia's economic future through the Asia-Pacific Economic Cooperation (APEC) forum and free trade agreements—both bilateral and, eventually, regional.

- Be prepared for a potential crisis to occur in the East China Sea. Also, understand the expectations that Tokyo and Beijing have of the United States in such a crisis.

- Continue to reassure Japan frequently. China also needs reassurance that U.S. intentions are not malign. Reaffirming that Washington is not trying to contain China or promote Taiwan's independence is important.

- Consider dropping explicit official references to "hedging against China." All countries hedge against the future. Talking about it in official documents suggests a policy of containment.

- Continue to act as a catalyst for improved trilateral U.S.-Japan-Republic of Korea (ROK) relations. Many of the problems in the Japan-China relationship also bedevil Japan-ROK relations.

## Introduction

During 2006, Sino-Japanese relations approached an all-time low. Japanese Prime Minister Koizumi Junichiro refused to yield to pressure from China and the Republic of Korea (ROK) to stop visiting the Yasukuni Shrine and demonstrate a "proper appreciation for Japan's history." At the same time, Japanese officials were furious with Beijing for tolerating anti-Japanese riots in April 2005 and for having orchestrated a sustained effort to thwart Tokyo's attempt to gain a permanent United Nations Security Council seat. In Beijing, policy initiatives to improve relations with Tokyo ground to a standstill after President Hu Jintao failed in his personal attempt

to persuade Koizumi to be more responsive on the "history" issue.

The relationship took a decided turn for the better when Prime Minister Koizumi retired in September 2006.<sup>1</sup> His successor, Abe Shinzo, took the initiative to improve relations by making his first official visit to Beijing, not to Washington, as has been traditional for a new Japanese leader. Combined with Koizumi's departure and the timing of North Korea's missile and nuclear tests, this symbolic gesture has restored some sense of normalcy into diplomatic contact between Tokyo and Beijing.

While this upturn is to be applauded, a number of divisive and deeply rooted issues remain between East Asia's two leading

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powers. It would be a mistake for U.S. policymakers to assume that the Sino-Japanese relationship will remain stable and trouble-free. Indeed, it is likely that pressures favoring rivalry will intensify over time.

## Key Findings

Assessing the Sino-Japanese relationship is no easy task, given its scope, complexity, and the legacies of historical experience. Even so, we believe the following 11 key findings can help to provide essential building blocks for some basic judgments about the relationship, its potential to devolve into sustained rivalry, and the stakes at issue for the United States.

*This Is a Historically Unique Period in East Asia.* For the first time in modern history, a rising China and a reemerging Japan are facing one another as East Asia's preeminent powers. Between the Meiji Restoration in the mid-19<sup>th</sup> century and the end of the People's Republic of China's Cultural Revolution in the mid 1970s, China's weakness or its chaotic periods of revolution created instability in East Asia. China's peaceful rise, following the strategy set out

by Deng Xiaoping at the end of the 1970s, has affected Japan in particular.

When the West entered East Asia in the 19<sup>th</sup> century, it was Japan that promptly adapted to this shock to the traditional Sinitic order and became the leading power in Asia, while China languished in imperial stagnation and then went through various phases of revolutionary chaos. The Meiji Restoration and Japan's success in the Sino-Japanese War of 1894–1895 dramatized the role reversal in Asia. The Japanese, whom the Chinese had once considered "eastern barbarians," adopted a patronizing attitude toward their large neighbor, viewing it as especially backward. Tokyo quickly appointed itself as the leader of East Asia. This self-image has been reinforced because Japan was the first East Asian economy to take off after World War II and because Japan emerged as Asia's first real democracy.

*Neither Tokyo Nor Beijing Will Be Content to Be Number Two in Asia.* The issue of national self-image, and the concomitant international respect that comes with being considered the most important nation in Asia, will continue to influence relations between Beijing and Tokyo and will sustain the sense of rivalry that already colors their respective policy choices. These attitudes are not symmetrical at present and have not been so historically. Japan's leadership over the past half-century has largely been in the field of global economic issues, whereas China has been active in both economic and political spheres. China is a permanent member of the United Nations Security Council and has a historic sense of itself as the "middle" or central kingdom. Japan's attitudes are less ingrained, but it does not want to be seen as a secondary Asian power. The Japanese are preoccupied with their standing in Asia but today face the reality that most Asian nations and a good many major world powers accord primacy of place to China.

It is not clear how hard either country wants to work toward recognition as the sole regional leader, but each will work to make certain that it is not eclipsed by the other. The efforts of both Tokyo and Beijing to improve relations with India are but one example of this phenomenon.

*History Will Be a Continuing Impediment.* Japan's conduct during the 1930s and throughout World War II remains

an unresolved political issue between Tokyo and Beijing. Many factors have, at one time or another, served to complicate relations, including the approach to certain topics in high school textbooks, the recently revived dispute over “comfort women,” the Imperial Japanese Army’s experiments with germ warfare in China, the controversy over the extent of atrocities at Nanjing, and the treatment of prisoners of war.

Over the past few years, visits by the Japanese prime minister to the Yasukuni Shrine<sup>2</sup> have been a source of particular tension and have constituted a core problem for Sino-Japanese relations. The Yasukuni Shrine was established in the Meiji period to honor the spirits of all Japanese war dead. The issue for China is not that Koizumi visited the shrine to pay homage to the war dead, but rather that in doing so, he also honored the spirits of 14 World War II Class A war criminals that were enshrined there in the late 1970s. Beyond that, an associated museum portrays Japanese war history in a highly questionable light. Whether Beijing’s adverse reaction is a pretext or not, halting (or reducing the prominence of) visits would help minimize a visible problem and test Beijing’s stated desire to improve relations. Because Abe has not visited the shrine during his tenure as prime minister, high-level meetings have become possible.<sup>3</sup>

There is no question that Japanese atrocities in the war period still rankle deeply in China. At the same time, given the Chinese Communist Party’s own manipulation of China’s history to legitimize its rule, there is a great deal of cynicism in Japan and, for that matter, in Washington about the way Beijing has used this issue diplomatically to gain leverage over Tokyo. In any event, many Japanese believe that, even if visits to Yasukuni were stopped or the spirits of the Class A war criminals were disenshrined, Beijing would find another issue to exploit for political purposes. Our own group was divided on this question.<sup>4</sup>

There also is a growing sense among the Japanese that their country has not received proper credit for the past 60 years of its peaceful, democratic transformation and for the help that it has provided China in the postwar years.

No matter how the history issue plays out, the reality is that nationalism is rising in both countries, and issues of history and sovereignty are inherently nationalistic. Tradи-

tional political elites in both countries are less able today to shape the political debate. Public opinion, informed by constant mass media and real-time personal communications, has only intensified political discourse. The new entrants to the discussion are usually from the grassroots level and are inclined to have more uncompromising views.

Although it appears that neither the Chinese nor the Japanese government finds it convenient at this point to fan the flames of nationalism, the question is whether they can lead public opinion and avoid making policy decisions that set relations back.

***The Dispute Over East China Sea Resources Is Increasingly Serious.*** Over the last 4 years, China has constructed offshore facilities to extract natural gas from an undersea field that crosses disputed marine boundaries. As a result, the prospect of incidents between Chinese and Japanese commercial and military vessels in the East China Sea has risen for the first time since World War II. If an incident occurs, it could result in the use of force—with consequences that could lead to conflict. This is more a sovereignty issue than an energy resource issue, which makes it especially dangerous.

To examine this issue in detail, this project conducted two tabletop exercises with

avoidance of escalation would require a level of clear and consistent signaling between the parties that, in a crisis, cannot be taken for granted. As a group, we were left uncertain about what weight to assign to escalation risks—but we were unanimous in our sense that policymakers are insufficiently attentive to these risks.

***The Bilateral Economic Relationship Is a Shock Absorber.*** The two economies are increasingly intertwined. China has become Japan’s largest trading partner, and Japan is China’s third largest trading partner. Japan ranks third in foreign direct investment in China—in 2005, it was US\$6.5 billion, according to the Japanese External Trade Organization. Japan’s recent revival from its decade of stagnation is largely related to its success in China’s booming market, and, for its part, Beijing does not want to see problems with Japan interfere with the flow of Japanese investment and technology, both of which are critical to China’s continued growth.

Japan’s commercial decisionmaking regarding China is profit-driven, not values-based. Despite recognized problems such as protection of intellectual property rights and contract enforcement, land ownership, and labor issues, the Japanese view China as simply too good a business opportunity to pass up.

The economic dimension of China-Japan rivalry is played out regionally. Japan’s effort at playing catch-up with China’s free trade agreement (FTA) diplomacy is a salient example of combined economic and political competition. In the short to medium term, the Chinese and Japanese economies are complementary, not competitive. This encourages economic cooperation. The deepening interdependence serves to dampen tension between China and Japan, but questions persist as to how long “hot economics, cold politics” can be sustained.

Finally, the rising energy demand in both countries is both a source of potential competition and an opportunity for cooperation.

***The Taiwan Issue Looms as a Major Irritant in Beijing.*** Tokyo’s increasingly outspoken interest in the peaceful resolution of the Taiwan issue is worrisome to Beijing. Declarations by Tokyo and Washington that they have a stake in developments in the Taiwan Strait have only increased unease in Beijing. While statements such as the February 2005 U.S.-Japan “2+2” ministerial

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experts playing American, Japanese, and Chinese teams. Participants were given a crisis scenario that involved a collision between Chinese and Japanese warships in the East China Sea. The results suggested that all three parties would attempt to exercise restraint and to give others the opportunity to act in similar fashion. Yet there is also good reason to think that the crisis management strategies of either Tokyo or Beijing could back the other into a corner in which restraint would serve its interests poorly and some escalation would seem like a reasonable risk. Successful

declaration reiterate long-term interests or are benign in language—for example, saying that the two governments seek a peaceful resolution to the situation in the Strait through dialogue—any expression of concern over Taiwan touches a core Chinese national interest in which Beijing insists the U.S.-Japan alliance has no business meddling.

Beijing believes that Taiwan has gone from being an implicit to an explicit focus of Japanese security policy. As Japan takes on larger responsibilities within the alliance, military planners in Beijing seem increasingly focused on the potential Japanese role in a military confrontation over Taiwan, although this is by no means a new issue.

Chinese planners extrapolate that a militarily stronger Japan will bring with it a revival of militarism in Japanese society and politics. As a harbinger of problems to come, they cite an increasingly hard line from Tokyo on maritime territorial disputes. Accordingly, they are focused on a range of potential military flashpoints with Japan involving the broader maritime environment, not just Taiwan. But there is little to suggest that China is actually developing military capabilities specifically focused on Japan, with the important exception of medium-range ballistic missiles.

Japan's military capabilities remain limited. Concerns about a Japanese remilitarization are often heard in China. Yet the reality is that without bombers, ballistic missiles, or nuclear weapons, and with no capability to invade or project military power, Japan's competent but relatively small defense forces are not on that level. Japan would have to build up its forces for many years—involving at least a tripling of its defense budget—to bear out professed Chinese concerns. In fact, Japanese defense spending remains under 1 percent of its gross domestic product, with no apparent prospect for even minor increases.

**China's Military Modernization Is a Major Concern in Tokyo.** At present, China's military modernization is focused overwhelmingly on being able to conduct a successful campaign against Taiwan, even if the United States were to intervene. By definition, however, many of the same capabilities—specifically, ballistic missiles, long-range tactical aircraft, and submarines—are also relevant to a campaign against any nearby island nation. As a result, defense

planners in Tokyo, while concentrating on the immediate threat posed by North Korea, are also concerned about the long-term strategic challenge presented by China and have been increasingly outspoken about it. Likewise, the Japanese public is becoming more apprehensive about the long-term implications of People's Liberation Army (PLA) modernization for Japan's security.

Tokyo is particularly sensitive to China's growing submarine force, given Japan's dependence on seaborne commerce and its experience in World War II, when it was virtually isolated by U.S. submarines and sea mines. Japanese planners are well aware that Japan lies astride China's inner maritime defense perimeter—the so-called first island chain. This means that Beijing's "defensive anti-access strategy" against U.S. involvement in a Taiwan crisis would, if successful, also greatly complicate reinforcement of Japan from the United States.

*The Construct of a Bipolar Rivalry Oversimplifies the Problem If It Causes Policymakers to Assume That Others Are Not Involved.* The existing political rivalry and security competition between Washington

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and Beijing in East Asia influences the Sino-Japanese relationship, as does the increasingly intertwined trade and investment relationship among all three. The maturing political and security relationship between Tokyo and Washington also affects the Sino-Japanese rivalry. So, too, is the Republic of Korea involved in issues related to the political, economic, and security relationship between Tokyo and Beijing, as is the United States.

*A Strengthened U.S.-Japan Alliance Triggers Concern in Beijing.* In the Tokyo Declaration of April 1996, the United States and Japan affirmed that their alliance "remains the cornerstone for achieving common security objectives, and for maintaining a stable and prosperous environment for the Asia-Pacific region." Since that time, the two governments have been engaged in an effort

to adapt the Cold War alliance to the evolving post-Cold War security environment. Japan's 1997 Defense Guidelines committed Japan to rear area support of the United States "in contingencies in areas surrounding Japan," thereby highlighting the regional context of the alliance. From a U.S. perspective, a strengthened alliance serves to assure Japan of the U.S. security commitment. "Assurance" of allies was defined in the 2001 and 2006 Quadrennial Defense Reviews (QDRs) as one of the major objectives of U.S. security policy.

Over the past 10 years, each alliance-strengthening initiative has been met with expressions of concern from Beijing. China appears to accept the alliance as a geopolitical fact of life. At every opportunity, Chinese officials and analysts insist that China has no interest in "kicking the United States out of the region." Still, Beijing often views a strengthened alliance as being a constraint on the People's Republic of China (PRC) or a link in a U.S. containment strategy and as encouraging Tokyo to take a harder diplomatic line toward China. This is reinforced by the fact that Tokyo appears to have incorporated the strengthened alliance as an instrument in its China diplomacy toolbox, giving it greater confidence in its approach to Beijing on a range of bilateral issues, including disputes in the East China Sea.

Beijing, concerned that the alliance is increasingly directed against China, has encouraged the United States "to balance its bilateral relations better." It is unlikely, however, that the United States will do so. While the United States does not seek to confront China—and indeed is striving to improve U.S.-PRC relations across a broad spectrum of issues and activities—Japan is an American ally; China is not. Japan and the United States have a unique security partnership. The U.S.-Japan alliance is not, and should not be seen as, a vehicle for isolating Beijing. From the viewpoint of others in East Asia, it would fail and defeat its own purpose if it tried to do so.

*Sino-Japanese Rivalry Poses Challenges for the U.S.-Japan Alliance.* For the United States, a diminution of Japan's influence in the Asia-Pacific region should be a matter of concern. A longstanding U.S. policy objective has been to encourage Tokyo to employ Japanese assets in pursuit of shared alliance interests in maintaining peace and stability. While most policymakers and policy elites understand that sources

of Sino-Japanese frictions are complex and that neither Beijing nor Tokyo is blameless or above reproach, at the public level there is a widespread perception that Japan's failure to deal forthrightly with its past is at the heart of the matter. The initiative taken by Prime Minister Abe to improve relations with China, and sustained Japanese efforts toward this end, will serve the interests of Japan and the United States across the Asia-Pacific region.

Perceptions matter in a negative way as well. If the United States and a strengthened U.S.-Japan alliance are perceived—by not only the PRC but also other Asian countries—as encouraging Japan to take a harder line toward China, the U.S. ability to promote stability and manage security affairs in the region will be impaired and its influence diminished.

*Some of the Factors Creating Tension in Sino-Japan Relations Also Troubleshoot Republic of Korea–Japan Relations.* The Japan-Korea relationship is beset with similar issues concerning history and sovereignty. At present, economic complementarities, propinquity, and a shared approach to North Korea incline the ROK toward China. In addition, issues of history and sovereignty make it easy for Seoul to find anti-Japan causes in common with Beijing. Unfortunately, these issues also contribute to a belief in Seoul that its ongoing naval development is necessary to reduce its vulnerability to Japan. Also, over the last 10 years, Seoul has pressed Washington for “equal treatment” with Tokyo. This has introduced a sense of rivalry into the U.S.-Japan-ROK trilateral relationship. China appears prepared to exploit the issues to drive a wedge between the two U.S. allies and between the United States and the ROK.

## Addressing Longer-term Problems

Looking out to mid-century, the Asia-Pacific region will be shaped largely by the interplay of policy choices made by the United States, Japan, and China. A Japan-China rivalry, rooted in history, combined with a future-oriented competition aimed at defining the contours of the region, will present the United States with complex policy problems. The complexity is increased because the forces of nationalism and domestic politics in both China and Japan have caused their bilateral

relationship to become inured to external involvement and advice.

The Chinese have a strong sense of cultural superiority toward Japan that is ever present and ever capable of being exploited. Internet sites in China offer poisonous anti-Japanese content without the interference by authorities that is pervasive in other sensitive areas. A key to better relations will be eliminating opportunities—and temptations—to exploit such ill will. For China, the challenge will be not playing into Japanese stereotypes, which only serve to reinforce nationalist sentiments in certain sectors of the Japanese public. For Japan, the challenge will be to address the issues of the past, but, at the same time, both China and Japan must recognize that the examination of history cannot be a one-way street.

Although Washington will be a bystander in how the political and cross-cultural dimensions of Sino-Japanese relations evolve, the United States will inevitably play a decisive role in strategic relations. Here, the depth

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of suspicions between Tokyo and Beijing over a number of previously mentioned issues—Taiwan, the alleged remilitarization of Japan, the long-term objectives of China's military modernization, and perceived containment policies—poses the greatest challenges for U.S. policy. The Department of Defense and U.S. Pacific Command, for instance, face a particular and extremely demanding challenge—institutionally, to prepare to intervene in a Taiwan contingency, while simultaneously engaging China and the PLA in broader and deeper exchanges. Both approaches are elements of the articulated U.S. hedging strategy toward China, yet the two may prove to be irreconcilable. At the very least, there will be tension between these two elements.

## Recommendations

In looking at the Sino-Japanese relationship, the United States must develop

a national consensus regarding U.S. interests and policy objectives. It is not in Washington's interest to see a strategic rivalry between Beijing and Tokyo intensify. Conversely, it is in the U.S. interest to promote greater trilateral cooperation and avoid zero-sum outcomes. Identifying a productive approach will not be easy—initiatives taken toward either China or Japan can always be interpreted as tilting U.S. policy in one direction or the other. But given the U.S. national interests involved in its relationships with both Japan and China, Washington cannot simply ignore the state of their own relations and hope for the best.

At the same time, the United States has interests in and obligations toward Japan that prevent it from being even-handed. U.S. priorities overwhelmingly are inclined toward the U.S.-Japan alliance, but this does not mean that the Nation should blindly sacrifice its rapidly growing national interests in strong and productive relations with China.

Despite the dangers inherent in this rivalry, it is manageable if handled properly. A U.S. approach would need to have several basic elements.

First and foremost, the United States must not let either Beijing or Tokyo think that their rivalry goes unnoticed in Washington. The participants in this project see the rivalry as dangerous and believe that both capitals should be made aware of this assessment. But at the same time, the United States should not seek to play the role of a go-between in the China-Japan relationship. Encouraging Beijing and Tokyo to continue along present paths—including improvement of their bilateral relationship—should highlight the extent to which both sides have shared interests in the future of international stability, access to energy, security of the sea lanes, the development and exploitation of high technology, and a greater Asian voice in setting international norms.

The United States should not officially become involved in the issues of history. This is a “lose-lose” proposition. However, quiet Track II support by respected American historians for the China-Japan study of history, as agreed to at the Abe-Hu summit, may advance the mutual understanding of the shared past.

Former Deputy Secretary of State Robert Zoellick encouraged Beijing to move closer toward becoming a responsible stakeholder in all aspects of its international relations.

At the same time, Japan's efforts to assume a larger role in support of international stability and security are in line with U.S. interests and goals. This means that Tokyo will also play a larger stakeholder role. Stakeholdership has promise of being a trilateral conceptual approach that could dampen the rivalry. An exploration of how each of these Asian powers could work with the United States or the United Nations could help develop habits of cooperation between Tokyo and Beijing. Seoul could also usefully be included in this approach.

Economics, in particular, can provide a foundation for the relationship. While China's surging soft power is the source of some angst in Washington and East Asia, it is also a derivative of Beijing's efforts to highlight diplomacy and commerce in its approach to the region rather than raw military or political power. The United States must stay engaged in the discussion about Asia's economic future. U.S. economic policy is focused on the APEC forum and trade liberalizations. The United States should actively advance the administration's initiative for an APEC-wide Free Trade Zone. At the same time, bilateral FTAs should continue to be pursued as steps toward an Asia-Pacific FTA structure.

Washington should encourage Japan and China to pursue better military-to-military relations. In particular, an incidents-at-sea agreement involving the two countries' navies and coast guards makes sense. In the meantime, it would be valuable to explore and illuminate the risks of a military incident at sea in Track II dialogues. This would also be a useful way to develop a common sense of risk and a common vocabulary for crisis management.

If the aforementioned tabletop exercises are any guide, the United States must prepare now for the possibility of future crises; it must understand what Japan expects of it in a crisis and be prepared to respond. It must also understand what Beijing expects. Thinking through how to manage these expectations will be an important aspect in determining policy options.

More broadly, strategic dialogue with both Japan and China is essential to reducing strategic suspicion. Some have argued that a clearer definition of *hedging* as set forth in the 2006 QDR and National Security Strategy would prove helpful, but clarity on this point could translate suspicion into hardened opinions and enshrine rivalry. Given that all three countries hedge—and will continue to do so because

they cannot predict the future—it might be more beneficial to suspend public discourse about hedging. Given China's inclination to construe hedging as de facto containment, this could be an important way to build trust.

U.S. policy toward East Asia has traditionally aimed at assuring Japan and deterring or dissuading China. However, during the course of this project, many participants argued that China, too, needs to be assured—in particular,

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it must be assured that the United States does not seek to contain it or to promote Taiwan independence. Such assurances, however, must not be given in ways that undercut the U.S.-Japan alliance. They must be balanced against the feelings of insecurity that they may raise in Japan, where long-harbored fears of abandonment are latent but nonetheless real.

Assurances to China, and in turn to Japan, are best cast along the lines laid out by former Deputy Secretary of State Zoellick—namely, that the United States (and Japan) has no intention of attempting to contain China or arrest its peaceful development, and that the United States (and Japan) desires China to assume the role of a responsible international stakeholder, with the respect and authority due one playing such a role. Likewise, the United States can reassure Beijing (and Taiwan) by reaffirming its declaratory policy opposing unilateral change in the cross-Taiwan Strait status quo.

The Republic of Korea remains a key actor in shaping the future of Northeast Asia. Washington, Tokyo, and Seoul need to determine how individual policies can be used to help reach common strategic objectives. Washington has to persist in acting as a catalyst for increased trilateral cooperation.

Ultimately, U.S. policy toward the Sino-Japanese rivalry would best be guided by the Hippocratic tradition: to help, or at least do no harm. The United States on its own cannot deliver better relations between Tokyo and Beijing. Indeed, it would be foolhardy to try. The recommendations outlined above serve a more realistic goal: to underscore the fact that both countries—along with the United States—have a stake in the future stability and prosperity of East Asia that vastly exceeds whatever each could gain from the pursuit of unbridled rivalry.

### **Notes**

<sup>1</sup> Before Prime Minister Koizumi retired, he made a final trip to the Yasukuni Shrine on August 15, the anniversary of Japan's World War II surrender—a visit seen by many as being in defiance of Beijing and Seoul.

<sup>2</sup> Yasukuni is a Shinto shrine in which the spirits, not the remains, of Japan's war dead are enshrined.

<sup>3</sup> Intense negotiations preceded Abe's visit to Beijing (and Seoul) in early October 2006, and rumors are rife about a "deal" with China regarding his future intentions about visiting the Yasukuni Shrine. In public, at least, there is no indication that Abe promised he would not go, and some indicators point to an effort to resolve the problem by disengaging the 14 Class A war criminals before he goes. In any event, some agreement was reached that allowed the Abe trip to go forward and enabled Chinese and Korean counterparts to accept invitations for return visits to Japan.

<sup>4</sup> There is an important distinction between the two countries regarding the impact of history on relations. Beijing's manipulation of its history has not had an adverse impact on Japan's attitudes about China, or on Tokyo's relations with Beijing.

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